

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF MCI)	
TELECOMMUNICATIONS CORPORATION TO)	CASE NO. 89-046
OFFER OPERATOR ASSISTANCE)	

O R D E R

On February 22, 1989, MCI Telecommunications Corporation ("MCI") filed with the Public Service Commission ("Commission") a tariff which introduced a new offering, operator assistance. By Order of March 7, 1989, the Commission suspended the tariff for 5 months from the proposed effective date through August 22, 1989. South Central Bell Telephone Company ("SCB") requested and was subsequently granted full intervention in the case.

On March 22, 1989, the Commission issued an Interim Order allowing MCI to provide interLATA operator-assisted service from Bell Operating Company pay telephones. This Order listed only the minimum conditions of service necessary to protect the public interest and indicated that the Commission's Opinion and Order relating to the remaining authority requested in MCI's tariff would shortly follow.

On April 6, 1989, MCI filed a Motion for Interim Authority to offer operator services pursuant to the proposed tariff. Since this Order addresses the entire scope of the tariff proposal, the Commission is of the opinion MCI's Motion is moot.

The Commission has determined that competition in the interLATA operator-assisted services market should be allowed. However, because of the nature of the service and the lack of a formal, prearranged relationship between the provider of operator-assisted service and the actual users of the service, certain restrictions are necessary for the service to be in the public interest. In Case No. 10002,¹ the Commission granted International Telecharge, Inc. ("ITI") authority to provide interLATA operator-assisted services subject to various restrictions and conditions of service. The Commission indicated in that Order its intent to universally apply these restrictions and conditions of service to all providers of operator services. The Commission will monitor the effectiveness of these restrictions and may make further modifications to either increase or decrease the restrictions as the situation may warrant.

The Commission, having reviewed the evidence of record and being sufficiently advised, is of the opinion and finds that:

1. MCI should be authorized to provide interLATA operator-assisted services in Kentucky under the restrictions and conditions of service stated herein.

2. MCI's operator-assisted services should be subject to rate regulation.

3. MCI's rates for operator-assisted services should not exceed the maximum approved rates of AT&T Telecommunications of

¹ Case No. 10002, The Application of International Telecharge, Inc. for a Certificate of Public Convenience and Necessity to Operate as a Reseller of Telecommunications Services Within the State of Kentucky, Order Dated August 3, 1989.

the South Central States ("AT&T"). "Maximum approved rates" is defined to mean the rates approved by this Commission in AT&T's most recent rate proceeding for measured toll service applicable to operator-assisted calls, as well as the additional charges for operator assistance. Time-of-day discounts should be applicable, and calls should be rated using the same basis that AT&T uses to rate calls; i.e., distance calculations based on points of call origination and termination, definitions of chargeable times, and billing unit increments, rounding of fractional units, and minimum usages. In Case No. 9889,² the Commission allowed AT&T a limited amount of rate flexibility in that it was allowed to reduce certain rates up to a maximum of 10 percent without filing the full cost support normally required in a rate proceeding. MCI should not be required to match rate reductions that result from this rate flexibility. However, when there is any change in AT&T's maximum approved rates, MCI should comply with the requirements herein within 30 days of the effective date of AT&T's rate change.

4. Other than the approved operator handling charges, MCI should not be permitted to add any surcharges to the price of a call.

5. MCI should not be permitted to bill for uncompleted calls.

6. Except as otherwise indicated in this Order, MCI should be subject to the non-dominant carrier regulations as delineated

² Case No. 9889, Adjustment of Rates of AT&T Communications of the South Central States, Inc.

in the May 25, 1984 Order in Administrative Case No. 273,³ as well as any subsequent modifications to non-dominant carrier regulations. In the event of conflict, the terms of the instant Order should take precedence, unless MCI is specifically relieved from compliance with any conditions contained herein.

7. Access to the operator services of competing carriers should not be blocked or otherwise intercepted; however, this requirement should not pertain in situations where the customers who have control of premises equipment are also the users and bill-payers of MCI services.

8. Access to the local exchange carrier's operators should not be blocked or otherwise intercepted. Specifically, this will require that all "0 minus" calls, that is, when an end-user dials zero without any following digits, be directed to the local exchange carrier operators. In equal access areas, "0 plus" intraLATA calls should not be intercepted or blocked. This does not require the purchasing of premium access services, although it will require the use of intelligent customer premises equipment if this option is not selected in equal access areas. In non-equal access areas, blocking or intercepting "0 minus" calls should be prohibited. It is permissible to intercept "0 plus" calls, because this would require the use of customer premises equipment that is capable of screening functions in order for MCI to provide service in these areas.

³ Administrative Case No. 273, An Inquiry into Inter- and IntraLATA Intrastate Competition in Toll and Related Services Markets in Kentucky.

9. Blocking and interception prohibitions should be included in MCI's tariffs and contracts with violators subject to immediate termination of service if the customer premises equipment is not brought into compliance within 20 days' notice to owners of such equipment.

10. MCI's operators should provide, upon specific request, carrier identification codes of other carriers that are used in 10XXX0 dialing sequences.

11. MCI should provide tent cards and stickers to be placed near or on telephone equipment used to access its services and should include provisions in tariffs and contracts that subject violators to termination of service.

12. MCI should identify itself at both the beginning and conclusion of every call.

13. MCI should provide an indication of its rates to any caller upon request.

14. MCI should not accept calling cards for billing purposes if it is unable to validate the card.

IT IS THEREFORE ORDERED that:

1. MCI is hereby granted authority to provide interLATA operator-assisted telecommunications services on and after the date of this Order subject to the restrictions and conditions of service stated herein.

2. MCI's proposed tariff is denied to the extent it is inconsistent with the Findings and Orders herein.

3. MCI's Motion for Interim Authority is moot.

4. MCI's operator-assisted services shall be subject to rate regulation and that its rates shall not exceed AT&T's maximum approved rates as defined herein.

5. MCI shall not be permitted to add any surcharges, other than approved operator handling charges, to the price of a call, and it is not permitted to bill for uncompleted calls.

6. Except as otherwise indicated in this Order, MCI shall be subject to the non-dominant carrier regulations as delineated in the May 25, 1984 Order in Administrative Case No. 273, as well as any subsequent modifications to non-dominant carrier regulations. In the event of conflict, the terms of the instant Order shall take precedence, unless MCI is specifically relieved from compliance from any conditions contained herein.

7. Access to the operator services of competing carriers shall not be blocked or intercepted; however, this requirement does not pertain in situations where the customers who have control of premises equipment are also the users and bill-payers of MCI's services.

8. Access, as described in this Order, to the local exchange carrier's operators shall not be blocked or otherwise intercepted.

9. Blocking and interception prohibitions shall be included in MCI's tariffs and contracts, with violators subject to immediate termination of service if the customer premises equipment is not brought into compliance within 20 days notice to owners of such equipment.

10. MCI's operators shall provide, upon specific request, carrier identification codes that are used in 10XXXO dialing sequences.

11. MCI shall provide tent cards and stickers to be placed near or on telephone equipment used to access its services and shall include provisions in tariffs and contracts, with violators subject to termination of service.

12. MCI shall identify itself at both the beginning and conclusion of every call.


13. MCI shall provide an indication of its rates upon request to any caller.

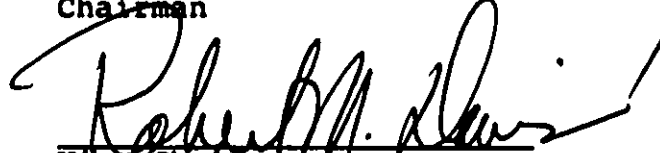
14. MCI shall not accept calling cards for billing purposes if it is unable to validate the card.

15. Within 30 days of the date of this Order, MCI shall file its revised tariff sheets to conform to the restrictions and conditions of service contained herein.

Done at Frankfort, Kentucky, this 3rd day of August, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:

Executive Director


Commissioner